



NEWS RELEASE

CALIFORNIA STATE TREASURER PHIL ANGELIDES

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ANGELIDES ANNOUNCES NEARLY \$12 MILLION IN TAX INCENTIVES FOR SAN DIEGO PROJECTS

Legislation Authored by State Senator Dede Alpert and sponsored by State Treasurer Phil Angelides authorizes \$60 million annually for California revitalization projects

SACRAMENTO — The California Tax Credit Allocation Committee (CTCAC), chaired by State Treasurer Phil Angelides, voted today to award \$11.98 million in federal tax incentives to six commercial revitalization projects in San Diego. These awards represent the first to be made under recent Federal legislation as well as State legislation sponsored by Treasurer Angelides and authored by State Senator Dede Alpert (San Diego).

“These Federal tax incentives will help strengthen San Diego’s neighborhoods and will spur job growth and community revitalization. These awards are part of what must be a larger effort to bring economic vitality and broadened opportunity to California communities,” said Angelides.

The following projects, which were recommended for approval by the City of San Diego, received Federally authorized tax deductions:

- Euclid Health Center (\$3,562,439)
- Borders Books and Music- Gaslamp District (\$4,661,853)
- Krakatoa Coffee House (\$113,700)
- Children of the Rainbow Child Care Facility (\$482,300)
- Chuey’s Restaurant and Cantina (\$2,160,000)
- Gordon Plaza Industrial Village (\$1,000,000)

The tax incentives, authorized by Congress under the Community Renewal Tax Relief Act of 2000, encourage the construction and redevelopment of abandoned and underutilized buildings in federally-designated “renewal communities.” These communities are defined as areas of poverty, unemployment and economic distress. Of the forty designated renewal communities nationwide, five are in California: Los Angeles, San Diego, San Francisco, and the Fresno County communities of Parlier and Orange Cove. Of the five California communities, only San Diego utilized all of its \$12 million 2002 allocation.

Under State legislation authored by Senator Alpert and sponsored by Treasurer Angelides, CTCAC was authorized to award \$60 million in federal tax deductions annually over the next eight years. Without this legislation, the State risked losing its share of the federal deductions for 2002.

CTCAC also tentatively awarded \$10 million to San Diego Mercado @ Cesar E. Chavez Parkway pending Federal guidance on whether or not San Diego could utilize tax incentives authorized for, but not used by, other California renewal communities in 2002.

"My legislation will enable San Diego and four other communities statewide to receive nearly half a billion dollars over the next eight years in critical revitalization project incentives," Alpert said. "I was glad to work with the Treasurer in an effort to spur business development and create jobs, particularly in these challenging economic times."

Treasurer Angelides has undertaken a number of initiatives to promote infill development and community revitalization in California communities. His "Double Bottom Line" investment strategy has directed more than \$12 billion in investment capital—principally through the State's public pension and investment funds—into investments that yield strong returns and broadened opportunity in California's economically struggling communities. These programs also encourage sustainable development — strengthening existing neighborhoods and reversing the cycle of urban sprawl that is degrading the State's environment and quality of life. As part of this initiative, Treasurer Angelides earlier this year awarded \$1 million to San Diego's Centre City Development Corporation to clean up toxic contamination and spur redevelopment.

"By encouraging the redevelopment of underutilized and blighted urban spaces, we can breathe new life into struggling neighborhoods, and encourage the kind of growth that will sustain California's economy and environment for years to come," concluded the Treasurer.

Attached is a description of each of the projects.

The following San Diego projects received Federal tax deduction allocations from the California Tax Credit Allocation Committee:

Completed Projects:

Euclid Health Center—Rehabilitation of a building and the new construction of a second building. The major user of this project will be the Southeast Medical Center, a consortium of community health service providers. The project is estimated to create 100 jobs.

Krakatoa Coffee House—Rehabilitation of a former single-family residence into a coffee house. This project is located in a historic district.

Borders Books and Music-Gaslamp District—Urban infill project on the edge of the Gaslamp Quarters Historical District. The retail project will conform to historic district design requirements, and is expected to create 50 jobs.

Planned Projects:

Children of the Rainbow Child Care Facility— Rehabilitation of a building which will serve 100 children in a low-income residential area. This project is expected to create 20 jobs.

Chuey's Restaurant and Cantina—Expansion of the well-known restaurant, located adjacent to a light rail stop and a planned redevelopment commercial project. The project is expected to create 70 jobs.

Gordon Plaza Industrial Village—New, mixed-use commercial and residential building in an area now zoned for commercial use.

* San Diego Mercado @ Cesar E. Chavez Parkway – Major commercial revitalization project in the Barrio Logan community. This project is expected to create 500 jobs.

* Pending Federal ruling